August 20, 2018

<u>**Via email**</u>

The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Mr. Darren Christle, Board Secretary and Executive Director

Dear Mr. Christle:

RE: **Manitoba Public Insurance Corporation (MPI)**
2019 General Rate Application (GRA) Refiling of Redacted Round One Information
Requests and Responses (IRs)

Upon further review of the Round 1 IRs filed with the Public Utilities Board on August 8, 2018, MPI has determined that certain aspects of the redacted IRs, for which confidential treatment is being sought, could be released onto the public record.

MPI has prepared, as an Errors and Omissions filing, two versions of the IRs in question. The August 8, 2018 version, as filed previously, and a revised version with additional information (fewer redactions), dated August 20, 2018.

The following IRs and Subparts/Appendices have been modified to appear on the public record:

1. PUB (MPI) 1-58, Part (a)
2. PUB (MPI) 1-59, Parts (a) and (b)
3. PUB (MPI) 1-61, Parts (b) and (d)
4. PUB (MPI) 1-62, Appendices 3 & 4
5. PUB (MPI) 1-72, Part (a) and Part (b), and Appendix 1 (note Appendix 1 still contains some redactions for IT security reasons)
6. CAC (MPI) 1-60, Part (a) – now specifies only the attachment is redacted

MPI requests that this filing be marked as MPI Exhibit 9. MPI will update the web posted application PDF and provide paper copies to parties to the proceeding.

Given the additional information, MPI will accept additional Round 2 IRs (if any) related to the enclosed material, and will endeavor to file responses on September 14, 2018, with the balance of Round 2 IRs. MPI would appreciate any further Round 2 IRs on this additional material be provided by August 31, 2018.

Yours truly,

Anthony Guerra
Legal Counsel

AG/JC
Encl.

cc: K. McCandless
2019 GRA Registered Interveners

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mpi.mb.ca

<u>**PUB (MPI) 1-58**</u>

Part and Chapter:	IV VM.1.2	Page No.:	12
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	Legacy Systems Modernization		
Sub Topic:			

Preamble to IR (If Any):

MPI identified in the 2018 GRA that there are concerns regarding IT legacy systems, which are 20 to 30 years old. Replacing these systems could potentially have significant costs. On direction from its Board, Management retained two industry consultants to complete independent assessments of the MPI legacy system risks and to confirm the need for future action to mitigate the associated technical and business risks.

According to the proposed timeline for the project, vendor presentations were to occur in June and September.

Question:

a) Please provide details of the consultants engaged related to the independent assessment of MPI legacy systems.
b) Please file the respective consultants' reports/ presentations and/or resulting business cases dealing with legacy system issues, including details on each of the consultants' responses to the each of the mandate scope established for the project.
c) Please file any internal analysis that was prepared to support the consultants' reports or internally assess the AOL/ CARS replacement.

Rationale for Question:

To understand assessment performed of legacy systems.

RESPONSE:

a) [Redacted: The Corporation is seeking confidential treatment for this response.]

b) Development of the Legacy Modernization business case is still in early stages, and
    only Deloitte has completed its high level assessment report.

    [Attachment A Redacted: The Corporation is seeking confidential treatment for this
    response.]

c) The Corporation provided background material to both Assessment Vendors but
    they requested no internal analysis and the Corporation did not prepare any for
    the assessment engagements. The Assessment Vendors were responsible for
    performing their own analysis.

PUB (MPI) 1-58

Part and Chapter:	IV VM.1.2	Page No.:	12
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Sub Topic:			

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MPI identified in the 2018 GRA that there are concerns regarding IT legacy systems, which are 20 to 30 years old. Replacing these systems could potentially have significant costs. On direction from its Board, Management retained two industry consultants to complete independent assessments of the MPI legacy system risks and to confirm the need for future action to mitigate the associated technical and business risks.

According to the proposed timeline for the project, vendor presentations were to occur in June and September.

Question:

a) Please provide details of the consultants engaged related to the independent assessment of MPI legacy systems.

b) Please file the respective consultants' reports/ presentations and/or resulting business cases dealing with legacy system issues, including details on each of the consultants' responses to the each of the mandate scope established for the project.

c) Please file any internal analysis that was prepared to support the consultants' reports or internally assess the AOL/ CARS replacement.

Rationale for Question:

To understand assessment performed of legacy systems.

RESPONSE:

a) Two vendors have been selected to perform an independent assessment of our legacy systems.

    1. Deloitte was the first vendor on site and performed their assessment from May 1st to June 22nd. Deloitte delivered their findings to the Corporation's Planning and Technology Committee on June 21, 2018.

    Deloitte has a well-recognized professional services practice that specializes in Insurance advisory and delivery services.

    2. Avasant was the second vendor on site. Their assessment period runs from July 13th to September 28th. Avasant will be delivering their report to the Corporation's Planning and Technology Committee on September 27th, 2018

    Avasant is a Canadian management consulting firm that specializes in large enterprise transformation and modernization projects in Canada. Avasant is a subsidiary of Avasant LLC, a global management consulting firm with over 150 consultants and experience in providing business and technology transformation consulting in over 40 countries.

b) Development of the Legacy Modernization business case is still in early stages, and only Deloitte has completed its high level assessment report (please see *Attachment A*). MPI sought the views of two parties to gain the benefit of differing perspectives. If MPI is considered a strong candidate for Legacy Modernization, a detailed business case for Legacy Modernization, including both Assessment vendor reports, and MPI's position on the reports, will be filed in the 2020 GRA.

    [Attachment A Redacted: The Corporation is seeking confidential treatment for this response.]

c) The Corporation provided background material to both Assessment Vendors but they requested no internal analysis and the Corporation did not prepare any for the assessment engagements. The Assessment Vendors were responsible for performing their own analysis.

PUB (MPI) 1-59

Part and Chapter:	IV VM.1.4	Page No.:	23
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	Customer Self-Service – Phase 1, 2 and 3		
Sub Topic:			

Preamble to IR (If Any):

Until a critical mass of over 300,000 users is met, the portal licensing is an operational costs driver. Once the 300,000 users threshold is reached, surpassed and maintained. The financial benefits of available customer self-serve services opposite the user licensing costs will be more financially viable.

Question:

a) Is there concern that this number will not be met, factoring in marketing costs to get users to use the portal?

b) How many transactions are processed in a year that could be potentially addressed by the self-service component, and what percentage would 300,000 users represent of that total? Please elaborate and provide supporting details where possible in the response.

Rationale for Question:

To understand the details of the cost/benefit analysis related to customer-self services.

RESPONSE:

[Redacted. The Corporation is seeking confidential treatment for this response.]

<u>PUB (MPI) 1-59</u>

Part and Chapter:	IV VM.1.4	Page No.:	23
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	Customer Self-Service – Phase 1, 2 and 3		
Sub Topic:			

Preamble to IR (If Any):

Until a critical mass of over 300,000 users is met, the portal licensing is an operational costs driver. Once the 300,000 users threshold is reached, surpassed and maintained. The financial benefits of available customer self-serve services opposite the user licensing costs will be more financially viable.

Question:

a) Is there concern that this number will not be met, factoring in marketing costs to get users to use the portal?

b) How many transactions are processed in a year that could be potentially addressed by the self-service component, and what percentage would 300,000 users represent of that total? Please elaborate and provide supporting details where possible in the response.

Rationale for Question:

To understand the details of the cost/benefit analysis related to customer-self services.

RESPONSE:

a) The current short-term customer self-serve strategy is to implement high-volume/low-complexity oriented transactions. The Corporation is confident that customers will transition to the expanded service delivery channel as projected for near-term transition rates. The Corporation must expand its future service offerings of a similar nature to achieve the long-term projected customer take-up rates. In the Customer Claims Reporting System customer focus group research completed in early 2018, and in the recent Physical Damage Claimant Satisfaction surveys, over 50% of those surveyed expressed interest in reporting vehicle damage claims online. The Corporation is therefore confident that customer enrollment in the customer portal and self-service delivery channel will reach anticipated participation rates.

b) The to-date customer self-service strategy analysis has used the FY2015/16 transaction count in the research and analysis performed thus far. The overall number of transactions performed in FY2015/16 was 13.3M for basic insurance, Autopac extension insurance, vehicle registration, and the driver licensing lines of business. The maximum number of transactions the Corporation envisions the self-service delivery channel could handle is ~7M or 57% (@100% customer self-service adoption rate). The Corporation would require a business case to transition all stated services and products while the self-service strategy and the roadmap are finalized. It should also be noted that the maximum customer self-service adoption rate is 50% in future year projects. As 300,000 users represents approximately 30% of the Corporation's total customers, the figure is much lower than the future anticipated self-service adoption rate. The Corporation will finalize specific details as part of the customer self-service roadmap, which it will complete by end of FY18/19.

PUB (MPI) 1-61

Part and Chapter:	IV VM.2	Page No.:	29-32
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	MPI's Cost Benefit Analysis of Customer Claims Reporting System (CCRS)		
Sub Topic:			

Preamble to IR (If Any):

The Board of Directors directed the Value Management Process be applied to a number of these projects. Based upon the results, Management cancelled the Customer Claims Reporting System (CCRS) initiative.

Question:

a) Please file the detailed cost benefit financial analysis in support of the incremental, life cycle and terminate project perspective.

b) Please explain what was evaluated and determined to be "lite" scope and "full" scope of the CSSR project. Please describe the business solution in terms of lite and full scope.

c) Please provide any further financial analysis that was prepared to support the decision to cancel the CSSR, which has not been provided in the Application.

d) Please provide the amounts written off by major component, including detail of the spending by year, which formed part of the total impairment amount.

Rationale for Question:

To better understand analysis performed on CCSR initiative.

RESPONSE:

[Redacted. The Corporation is seeking confidential treatment for this response]

PUB (MPI) 1-61

Part and Chapter:	IV VM.2	Page No.:	29-32
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	MPI's Cost Benefit Analysis of Customer Claims Reporting System (CCRS)		
Sub Topic:			

Preamble to IR (If Any):

The Board of Directors directed the Value Management Process be applied to a number of these projects. Based upon the results, Management cancelled the Customer Claims Reporting System (CCRS) initiative.

Question:

a) Please file the detailed cost benefit financial analysis in support of the incremental, life cycle and terminate project perspective.

b) Please explain what was evaluated and determined to be "lite" scope and "full" scope of the CSSR project. Please describe the business solution in terms of lite and full scope.

c) Please provide any further financial analysis that was prepared to support the decision to cancel the CSSR, which has not been provided in the Application.

d) Please provide the amounts written off by major component, including detail of the spending by year, which formed part of the total impairment amount.

Rationale for Question:

To better understand analysis performed on CCSR initiative.

RESPONSE:

a) Please see <u>Appendices 1 to 6</u> attached.

   [Appendices 1 to 6 Redacted: The Corporation is seeking confidential treatment for this response.]

b) While the "lite" scope version of the Customer Claims Reporting System (CCRS) Project also envisioned an on-line customer self-service solution for the registration of first loss notices in respect of physical damage claims, its process was simpler and/or less time consuming for the customer as compared to the "full" scope version. CCRS "lite" also had lower systems implementation costs, but was less efficient operationally than CCRS "full" and was unable to offer the same return on investment through a reduction in future operating expenses. Specifically, CCRS "lite" was less efficient because it only marginally improved the productivity of Corporation's Contact Centre and did not improve the productivity of claims adjusting. As a result, the Corporation did not consider CCRS "lite" a viable alternative solution. CCRS "full" was the originally envisioned solution. Through this solution, simple claims did not require initial or subsequent Contact Centre calls or calls with claims adjusters to resolve liability or settlement issues. Instead, the on-line service-reporting tool would have handled a large portion of these claims.

c) Please see <u>Appendices 1 to 6</u> attached.

   [Appendices 1 to 6 Redacted: The Corporation is seeking confidential treatment for this response.]

d) See table below:

Figure 1:
Customer Claims Reporting System Deferred Development Costs

Line No.	Customer Claims Reporting System Deferred Development Costs	2012/13A	2013/14A	2014/15A	2015/16A	2016/17A	2017/18A	LTD 2017/18A
1	*(C$000s, except where noted)*							
2	CCRS	-	-	-	-	-	4,036	4,036
3	Optimized Adjusting	46	2,203	2,993	18	40	-	5,300
4	Interim FNOL	-	-	18	1,957	3,345	968	6,288
5	Total CCRS	46	2,203	3,011	1,975	3,385	5,004	15,624

PUB (MPI) 1-62

Part and Chapter:	IV VM.3	Page No.:	41
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	PDR Project		
Sub Topic:	IT Expenses		

Preamble to IR (If Any):

Question:

a) Please update the Updated PDR NPV Analysis table including the NPV for PDR from Gartner last year, including the discount rate used by Gartner.

b) Please provide details of the project costs and ongoing costs, and provide a comparison with those costs forecast at the last GRA.

c) Please provide the detailed schedules supporting the NPV analysis this year.

Rationale for Question:

To understand changes in the cost benefit analysis related to PDR.

RESPONSE:

[Redacted. The Corporation is seeking confidential treatment for this response]

<u>**PUB (MPI) 1-62**</u>

Part and Chapter:	IV VM.3	Page No.:	41
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	PDR Project		
Sub Topic:	IT Expenses		

Preamble to IR (If Any):

Question:

a) Please update the Updated PDR NPV Analysis table including the NPV for PDR from Gartner last year, including the discount rate used by Gartner.

b) Please provide details of the project costs and ongoing costs, and provide a comparison with those costs forecast at the last GRA.

c) Please provide the detailed schedules supporting the NPV analysis this year.

Rationale for Question:

To understand changes in the cost benefit analysis related to PDR.

RESPONSE:

a) Please see <u>Attachment A</u> attached.

   [Attachment A Redacted: The Corporation is seeking confidential treatment for this response.]

b) Please see <u>Appendix 1 to 5</u> attached, <u>Appendix 2</u> attached (Post Project Impact) depicts the forecasted ongoing operating and licensing costs

associated with PDR. All of these associated costs were not included in the last GRA or historical PDR financial analysis.

[Appendices 1, 2 and 5 Redacted: The Corporation is seeking confidential treatment for this response.]

c) Please see Appendix 1 to 5 attached.

 [Appendices 1, 2 and 5 Redacted: The Corporation is seeking confidential
 treatment for this response.]

LOU- Financial Benefit details

Project	Source	Description	2017/18 Incremental Financial Benefits	2018/19 Incremental Financial Benefits	2019/20 Incremental Financial benefits	2020/21 Incremental Financial benefits	2021/22 Incremental Financial benefits
LOU	CPU Reduction		$ -	$ -	$ 43,753	$ 89,694	$ 91,936

LOU-CPU staffing reductions - 1.5 FTE saving due to automation of certain claim process efforts consisting of avg salary of $44,875 plus 30% benefits =

				Full year equivalent in half year 2019/20 2019/20	2020/21 (2.5% COL)	2021/22 (2.5% COL)
Average Annual Salary	$	44,875				
30% benefits	$	13,463				
Total Savings Full year 1 FTE	$	58,338	1.5 FTE =	87,506	89,694	91,936
				43,753		

This report has been prepared as advice, opinions, proposals, recommendations, analyses or policy options developed by or for the public body or a minister, as per Section 23(1) of the Freedom of Information and Protection of Privacy Act.

Analysis and Support for Predictive Analytics Savings

<u>Source: Director, Loss Prevention , January 4, 2018</u>

Following much discussion, analysis and debate over methodology, I am, with the full support of submitting the projected PA benefits for Total Loss to be $500,000 per year. Data from the Very Soft Launch (VSL) and the PA Pilot were considered, and because the new triage process was in place for the pilot only, data to derive the estimate is from the pilot period experience only (December 11-22 only).

Here is the methodology and key assumptions utilized to derive this estimate:

- Only the SIU referrals considered to be incremental to regular SIU business rules are included in the PA benefit. In the two week pilot, we agreed this equated to 2 MUST referrals and 3 SHOULD referrals, for a total of 5 strong incremental SIU referrals from the PA model (or approximately 18% of the 34 referrals made during the pilot).
- The average ACV of $7,000 is used in the calculation, which is based on 5 years of history on total losses from the SIU database
- An SIU investigation success rate of 50% is applied. Historically, the TL success rate for 2014-2016 has been 30%, but the new process will significantly reduce the number of unsubstantiated referrals making their way to SIU which will increase our success rate.
- Estimate employs data from two week period * 26 = year one benefit

The operational introduction of the PA tool has been the catalyst to introduce a new triage model that is already proving the following benefits:

- Collaborative work at the SC ensures primary investigations are complete before a decision to refer to SIU is made (referrals subsequently made have good information to initiate SIU investigation).
- SIU can inform and give professional opinion on primary SCO investigation from FNOL
- Enables SIU to complete earlier "mini" investigation of claim (credit checks, history, speak with police) and removes unnecessary SIU referrals. This provides quicker triage decisions which will reduce potential Loss Of Use exposure and increased service levels on suspicious and low evidence claims
- SIU referral time during VSL pilot shows an average of 19 days (current referral time average is 28 days). This trend is expected to continue, reflecting a major customer service improvement that wasn't fully anticipated.
- The new triage process provides training opportunities for SCO to enhance fraud detection skills and evidence gathering.

While these benefits cannot be quantified at this early point, the SIU team involved in the pilot are very pleased with these side benefits of the PA project. I would look to SCO to comment if the impact on SCO represents additional cost or inefficiency from her people's perspective.

IT will be utilizing this financial forecast information at the Executive meeting tomorrow, so if you have questions about anything, please let us know.

<u>Update Analysis and Support for 2017/18 Predictive Analytics Actual Savings of $82,987</u>

This saving amount reflects SIU recorded savings on:

- Closed investigations on the PA referrals received between Dec 11, 2017 and Feb 28, 2018
- Those files were closed on or before Feb 28, 2018.

<u>Source:, Director, Loss Prevention, April 24, 2018</u>

Projection has been updated based on available data since launch of the piloting of PA.

On previous projection provided in January 2018, a 50% success rate was applied based on overall success rate (TL or non-TL investigation). Our data shows 52% of success rate, hence the assumption remains unchanged.

Savings are associated with use of the PA model but cannot be assessed as to whether or not they are "Incremental" as:

- The majority of PA claims already consist of mandatory claims investigation processes which may have resulted in an SIU referral
- Previous data capturing/reporting does not clearly define savings categories therefore the baseline is not accurate

The PA pilot has derived intangible benefits defined as process value noted below:

- SIU now has oversight and input into the claims investigation at all Service Centers due to the introduction of a new pilot triage model
- Unwarranted referrals interrupting customer service should not occur as only claims with strong evidence of fraud are being referred.
- The success rate of investigations has increased from 28.4% to 52%
- Definitive reporting metrics that clearly outline and capture accurate savings amounts and categories have been created
- The length of an investigation has been reduced from 51.5 days to 36 days

 Since Dec 11, 2017, over the period of 19 weeks, the stats are as follows:

Must:	133	
Should:	64	
Total PA Referrals:	**197**	
Strong Leads:	49	=25% (of 197)
SAS Crime (not strong leads):	47	
Total Savings on strong leads	$159,243.71	
SIU Closed Investigations:		33
Number of strong leads generated savings		17
Success rate:		17/33=**52%**

Average Strong Leads Investigations Days span between Referred and Closed (closed strong leads SIU investigation): *36 days*

Historically (baseline) FY2014-2016 Data:

Days span between referred and closed: *51.5 Days (previously reported 55.5 days which including 11 months of FY2017 data as well)*

Success rate – TL claim Investigations   *28.4%*

Success rate – all investigations   49.3%

Based on the 19 week's data, total projected savings from PA referrals:

197 PA referrals /19 weeks* 52 weeks * 25% (strong leads per cent age) * 50% success rate * $7,000 = approx. $472K.

PUB (MPI) 1-72

Part and Chapter:	IV IT	Page No.:	
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	IT Management		
Sub Topic:			

Preamble to IR (If Any):

Question:

a) Please file an update to PUB/MPI I-29 Appendix 1 and I-29 (c) from the 2018 GRA.

b) Please file an update to PUB/MPI 2-16 (a) & (b) from the 2018 GRA.

Rationale for Question:

To provide an update on project status.

RESPONSE:

[Redacted. The Corporation is seeking confidential treatment of this response].

PUB (MPI) 1-72

Part and Chapter:	IV IT	Page No.:	
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects		
Topic:	IT Management		
Sub Topic:			

Preamble to IR (If Any):

Question:

a) Please file an update to PUB/MPI I-29 Appendix 1 and I-29 (c) from the 2018 GRA.

b) Please file an update to PUB/MPI 2-16 (a) & (b) from the 2018 GRA.

Rationale for Question:

To provide an update on project status.

RESPONSE:

a) Please see Appendix 1: Status of Corporate Strategic Initiatives. With respect to PUB/MPI I-29 (c) from the 2018 GRA, the Value Management Post Implementation Review template has not changed except for the addition of a section entitled "PIR Methodology" which will outline what procedures were undertaken to perform the review (i.e. interviews, verification procedures).

b) Please see the tables below for update to PUB(MPI) 2-16 from the 2018 GRA:

Figure 1: Listing of Active and Future Initiatives — Total Corporate

Line No.	Active and Future Projects - (completed and closed projects not shown)	Budget	Business Case Development Phase	Business Case Approved (Y/N)	Delivery Phase	Notes
1	*(C$000s, except where noted)*					
2	**High School Driver Education Phase 2**	1,982	Completed	Y	Elaboration	
3	**High School Driver Education Phase 3**	2,018	Completed	Y	Elaboration	
4	HR Managenent System Phase 3 & 4	446	Not started	N	Start up	
5	BI3 Fineos Upgrade 2020	2,277	Completed	Y	Not Started	
6	BI3 Fineos 2024	1,250	Not started	N	Not Started	
7	Financial Re-engineering Initiatives	13,960	In Progress	N	Start up	Note 1
8	Legacy Systems Modernization	72,000	In Progress	N	Inception	Note 1
9	Infor/Lawson Upgrade	4,505	N/A	N/A	Warranty	Note 2
10	Infor Major Upgrade 2022	3,000	Not Started	N	Not Started	
11	Technology Risk Management - 2017	4,525	Completed	Y	Various Phases	
12	Technology Risk Management - 2018	4,272	Completed	Y	Various Phases	
13	Technology Risk Management - 2019	4,500	Not Started	N	Not Started	
14	Technology Risk Management - 2020	4,500	Not Started	N	Not Started	
15	Technology Risk Management - 2021	4,500	Not Started	N	Not Started	
16	Technology Risk Management - 2022	4,500	Not Started	N	Not Started	
17	Enhanced DR Capabilities	2,989	PDR	N/A	Various Phases	Note 2
18	Customer Self Service	4,870	Completed	Y	Various Phases	
19	AOL PUB Release	2,672	Completed	Y	Inception	
20	Credit Card Strategy	1,701	In Progress	N	Various Phases	
21	Non-Basic Projects	7,090	Various	Various	Various Phases	
22	Total Project Budget	147,557				

Note 1: Initial Phase of project includes completion of detailed business case for approval before proceeding to full project phase.

Note 2: Project approved prior to full implementation of Value Management Process

Figure 2: Listing of PDR Related Projects

Line No.	Project name	Basic Deferred Development Project*
1	*(C$000s, except where noted)*	
2	Physical Damage Re-Engineering Phase 1 & 2	1,888
3	Physical Damage Re-Engineering Main/Phase 3	11,639
4	PDR Opt Repair - Remote Estimating	212
5	Appointment Manager	1,297
6	Customer Claims Reporting System	14,412
7	Enhanced DR Capabilities	2,189
8	Partner Portal	2,223
9	Total Project	33,860

*Impairment of Deferred Developmen excluded Basic Deferred Development
reference Appendix 18*

Project	Infor/Lawson Upgrade		
Start Date	December 2014	**Projected End Date**	June 2018
Status	**Budget**	**Schedule**	**Overall**

Project Description

This initiative includes a full platform upgrade of the Infor (formerly Lawson) Financial, Payroll and Time Entry components in addition to the Human Resource Management System. Major goals of the upgrade are to (i) fulfill the existing requirement for future dating functionality; (ii) enable additional employee self-serve functionality; and (iii) remain on mainstream maintenance and support from the vendor.

Understanding of the functionality changes included in the new versions of the software is crucial as it is anticipated that modifications to existing business processes, documentation and change management will be required. The project was initially expected to be completed by end of 2016/17 fiscal year.   The project encountered significant issues with the Infor/Lawson product and with the setup of the pre-production testing environment. With Executive review and approval, go-live was postponed to April 23, 2018 in order to add increased quality assurance to the configuration of the Production Support and Production environments. Setup and testing functionality in the Production Support environment was successfully concluded as well as the implementation dry run in Production. System went live April 23. Warranty Period has been extended to June 15 to address additional defects, and stabilize the Systems Integration Test environment. Exit criteria for warranty is under review.

Timeline

Phase - Warranty	Target Date	
Warranty Period Extended	June 15	
Exit Criteria In Reivew with Executive Steering Committee	June 12	
Decision whether to extend warranty past June 15	June 13	

Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Infor Upgrade went live April 23/18.	System Integration Test environment stabilized
"Go-Live" incident reporting was closed May 28, the team is shifting focus from resolving incidents occurring in prodcution to fixing defects on the workaround list.	Resolve prioritized defects – time boxed for completion on June 15
Executive Steering Committee has extended the warranty period from May 18 to June 15 with a focus on stabilization, reduction of reliance on incremental resources and successful transition.	Executive Committee Meeting to validate and approve the recommended Warranty Exit Criteria
	Transition the Project to Production Support – TBD pending approval of exit from Warranty

Project Risks/Issues

Description	Type	Mitigation Plan	Status
Continue monitoring production to identify system stability issues	Issue	Determine the tools required to monitor production	In Progress
Stabilize System Integration Test (SIT) environment	Issue	Vendor to be onsite to re-install SIT	In progress

Financials

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend	
0	121,679	392,796	
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**	
4,504,600	3,663,130	3,934,247	

The following is a summary of the PDR Spinoff projects initiated March 1 2017.

Project	PDR Spinoff - Customer Claims Reporting System				
Start Date	July 2014		**Projected End Date**		April 2018
Status	**Budget**		**Schedule**		**Overall**

After a thorough review of the business case and technology factors, a decision has been made to not pursue the implementation of Customer Claims Reporting System (CCRS) at this time.

The CCRS project was one of the last initiatives of the Physical Damage Re-engineering (PDR) Program. The goal of CCRS was to create an online claims reporting option for our customers by 2019. While this project is not moving forward, the project has already helped create efficiencies in the claims reporting and liability assessment processes, and created a clear vision for a future customer self-service process.

Timeline
Project closed

Milestones	
Milestones – First Quarter 2018/19 (Mar-May)	**Milestones – Second Quarter 2018/19 (June-August)**
Project close out activities	N/A
Resource reassignment	

Project Risks/Issues			
Description	**Type**	**Mitigation Plan**	**Status**

Financials		
Project Budget for 18/19	**YTD Actual**	**Forecasted Current Year Spend**
7,200,000	766,959	775,979
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
23,388,041	16,399,175	16,408,195

Project	PDR Spinoff - Loss of Use (LOU)						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	Mar 2017	**Projected End Date**	Feb 2019

The goal fo the LOU Program is to move the responsibility for managing rental vehicle use to the shops on a per claim basis. This will occur in parallel with establishing more robust control structures within MPI. MPI will establish standard and fixed spend per repair. This will allow shops to deal directly with rental agencies to source and provide replacement vehicles. The rental companies will bill the repair shops instead of MPI and MPI will reimburse the shops based on the fixed rate for the repair, not based on the actual which pass the risk of repair delays to the shops.

Phase 1 of LOU was implemented February 24th 2018, and warranty has been closed. Phase 1 included the LOU Automated Approval for Rental Agencies based on current touch times. Work on CR-LOU-05 (Deferred Functionality) has started and is in SIT (System Integration Testing). Deferred Functionality has an implementation date of June 24th, 2018. This implementation includes 5 tasks deferred from Phase 1.

Phase 2 will contain the balance of the original LOU scope and will be implemented in fiscal 18/19- dependent upon the negotiation outcome with the Repair trade.

Milestones	
Milestones – First Quarter 2018/19 (Mar-May)	**Milestones – Second Quarter 2018/19 (June-August)**
Completed Design / Development	Complete SIT (System Integration Testing)
Started SIT (System Integration Testing)	Complete UAT (User Acceptance Testing)
	Complete implementation and warranty

Project Risks/Issues			
Description	**Type**	**Mitigation Plan**	**Status**
No Risks or issues at this time			

Project	PDR Spinoff - Parts Solution						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	April 2018	**Projected End Date**	2018/19

The solution will implement software commonly used in the recycled parts market to identify recycled parts for MPI claims. The new solution will replace the legacy in-house Claims Response System (CRS) which limits parts and pricing. This will influence the OEM and Aftermarket industries. Much of the work to be conducted serves the purpose of removing current barriers to the utilization of recycled parts in repairs. The solution comprises a combination of organizational (structure, process, people) and technological changes.

Mitchell uParts, Mitchell QRP, and Mitchell Parts solutions have been assessed and it has been determined they are not viable options for MPI to implement as a Recycled Part Sourcing solution. A comprehensive solution for Recycled Part Sourcing was presented, and Executive Streeing Committee (ESC) accepted the solution April 25th. The project commenced on April 26th and is scheduled to complete at the end of December. There will be at least one key touchpoint relating to the implementation of Mitchell Estimate advisor once the Mitchell roadmap is confirmed. A key dependency is successful negotiations with ARM (Automotive Recyclers of Manitoba), and that the Manitoba recyclers will agree to use Car Part and list their inventory.

Milestones	
Milestones – First Quarter 2018/19 (Mar-May)	**Milestones – Second Quarter 2018/19 (June-August)**
Start Schedule for critical path	ESC approval for new set of policies
Begin Recycler engagement activities	Decision on project direction when the Mitchell roadmap is available for Estimate Advisor (if required)
Begin software setup for review of closed files and testing	

Project Risks/Issues			
Description	**Type**	**Mitigation Plan**	**Status**
Mitchell Roadmap for Estimate Advisor not yet known- may impact schedule/budget	Risk		

Financials (LOU & Car Parts Pro/uParts)		
Project Budget for 18/19	**YTD Actual**	**Forecasted Current Year Spend**
500,000	169,099	1,263,483
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
2,989,314	1,886,918	2,981,302

Project				PDR Spinoff - Appointment Manager			
Status	Budget	Schedule	Overall	Start Date	March 2017	Projected End Date	April 2018

The Appointment Manager project web-enables the existing appointment management functionality for use by internal staff and extends appointment management capabilities to support future customer self-service booking of appointments as well as usage by repair shops to self manage their availability for direct booking of estimate appointments through the new FNOL applications.

Milestones	
Milestones – First Quarter 2018/19 (Mar-May)	**Milestones – Second Quarter 2018/19 (June-August)**
Appointment Manager/Appointment Viewer functionality testing (User Acceptance Testing) completed	Project implementation and closeout activities completed.
Implemented on February 25, 2018.	
Post go-live Warranty and transition to Operations completed.	

Project Risks/Issues			
Description	Type	Mitigation Plan	Status
All risks and issues are addressed and closed			

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend
0	41,087	41,087
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
1,404,440	1,445,355	1,445,355

Project				PDR Spinoff - Partner Portal			
Status	Budget	Schedule	Overall	Start Date	Oct 2015	Projected End Date	February 2018

MPI is replacing the existing Partners Portal to provide MPI partners a new web and mobile based platform to interact and engage with MPI.

Partner Portal will provide a new experience to MPI Partners to communicate with the respective service areas and perform various self managed activities using different service applications/Communities and utilize online tools and knowledge guides.

Milestones	
Milestones – First Quarter 2018/19 (Mar-May)	**Milestones – Second Quarter 2018/19 (June-August)**
Transition to Operations complete	Project is completed – no further reporting will be provided
Close out documentation	

Project Risks/Issues			
Description	Type	Mitigation Plan	Status
All risks and issues are addressed and closed			

Financials		
Project Budget for 18/19	**YTD Actual**	**Forecasted Current Year Spend**
0	27,740	40,740
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
2,406,770	2,573,828	2,586,828

Project	High School Drivers Education (HSDE)		
Start Date	April 2016	**Projected End Date**	February 2019
Status	**Budget**	**Schedule**	**Overall**

The purpose of the program is to redevelop of the High School Driver Education program. The final phase of the program has been initiated with a focus on curriculum redevelopment. The outcomes of the curriculum redesign focus on higher order learning concepts and better utilization of classroom hours by shifting some 'knowledge- based' program content to online computer-based learning. This can be leveraged further with our other audiences including: first nations, northern communities, adult driver education, etc. This is intended to enhance the student experience and further engage guardian/parent/Co-pilot involvement.

The Board approved $1 million in additional funding as well as additional time, extending the project end date from June 2018 to the end of February 2019. The curriculum development is planned to be complete by June 2018, with some video assets to be completed by the end of August. The technical solution concepts are being validated and developed. Testing is expected to begin fall 2018.

Timeline
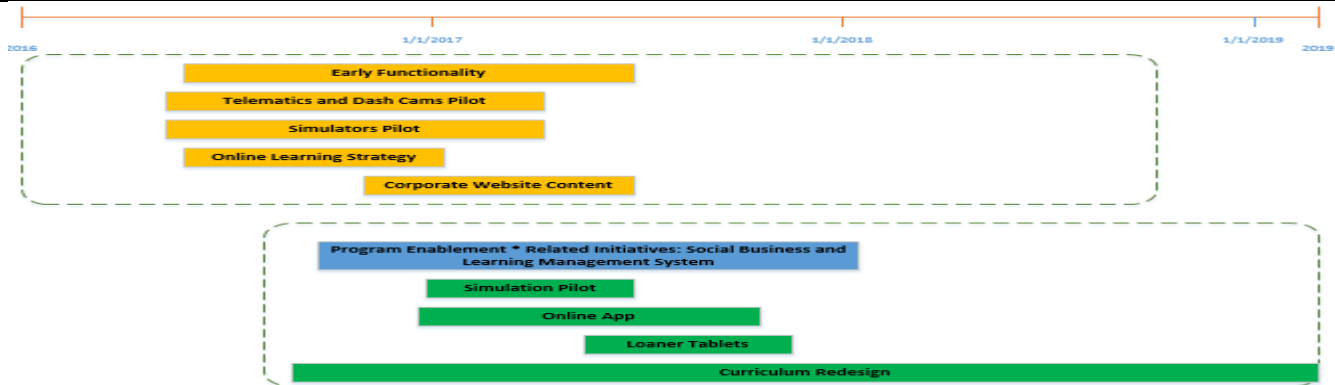
Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
CR approved for additional funding and new project end date of Feb 2019	Competency model and training with learning for HSDE instructors being developed for facilitation and coaching.
Technical & Security resources assigned. Security Risk Assessment complete	Security audit planning
Architecture Design solution being validated. Business & System Requirements being gathered and prioritized	Architecture Design solution validated and development underway
Video development, approvals, and filming underway	All video assets complete and loaded into the system
Project plan and schedule revised. Business Case revised	Curriculum design/development and Competency Model complete
Instructor Advisory Committee Workshop held for HSDE Instructors to introduce new program	Training approach and plan developed. Training material development

Project Risks/Issues

Description	Type	Mitigation Plan	Status
CLMS may not meet solution requirements	Risk	Assessment and Proof of concept underway	On Track
CSS timelines may not meet HSDE's needs for authentication	Issue	Assessment underway	On Track
Budget and Schedule have no contingency	Risk	Prioritization of technical pieces with business input to deliver the most value for the budget and the timeline	On Track
Parallel streams of work need to be integrated with coordination between different business units.	Risk	Project teams being co-located to increase communication amongst teams	

Financials

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend
900,000	251,346	2,229,857
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
4,000,000	3,021,490	5,000,000

Program	Technology Modernization Program - Technology Risk Management (2017/18 Program)		
Start Date	March 2017	**Projected End Date**	September 2018
Status On Track	**Budget**	**Schedule**	**Overall**

The Technology Risk Management program will evaluate, identify and/or implement technologies to reduce technology risk leveraging technologies and best practice where applicable. The initiatives 10 new initiatives under the 2017/18 portfolio:

- EDMS and Kofax Upgrade
- Risk Registry Remediation
- APM and eWFM Replacement
- **[Redacted]** Upgrade
- eCounsel Upgrade
- SSRS Migration
- SharePoint Migration
- Network and Firewall Upgrade
- Security Risk Management
- Security Event Management (SEM)

Timeline

Project	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Information Security Risk Management													
Security Risk Management	■	■	■	■	■	■	■	■	■				
Security Event Management (SEM)	■	■	■	■	■	■	■						
Risk Registry Remediation	■	■	■	■	■	■	■						
Infrastructure Risk Management													
[Redacted] Upgrade	■	■	■	■									
SSRS Migration	■	■											
Network and Firewall Upgrades	■	■	■	■	■	■	■						
Application Risk Management													
EDMS and Kofax Upgrade	■	■	■	■	■	■	■	■	■	■	■		
APM and eWFM Replacement	■	■	■	■	■	■	■	■	■	■	■		
eCounsel Upgrade	■	■	■	■	■	■	■	■	■	▨			
Share Point Migration	■	■	■	■	■	■	■	■	■	■	■	■	■

Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Security Risk Management – Pilot completed	**EDMS and Kofax Upgrade:** A key project resource has being fully leveraged by a parallel project impacting schedule. The conflict is resolved and the team is confident they can meet the July 31, 2018 delivery date.
Security Event Management (SEM) completed	**Risk Registry Remediation:** Data Masking and access control recommendations are completed. Project Completed.
	eCounsel Upgrade: The project is fully resourced and the team has started work in the development environment. The timeline for user testing may be extended due to business user availability. The project is reporting as yellow based on this risk to the June 30, 2018 delivery date.
	APM and eWFM Replacement: Project is fully resourced and has engaged the product vendor. Project is on track to complete by July 31, 2018
	[Redacted] Upgrade: Project complete
	SSRS Migration: Project complete
	Share Point Migration: Project is progressing with site collection and departmental site migrations. Due to site complexities discovered during the migrations and scheduling challenges the project will extend to September 30 2018.

	Network and Firewall Upgrades: Firewall monitoring / management software has been purchased and implemented. Outstanding configuration work will be transitioned to TRM-2018 allowing the project to close.
	Security Risk Management: The project has completed all in-scope deliverables. Project is in the process of obtaining final approvals on deliverables and completing the project closure report.
	Security Event Management (SEM): Project complete.

Project Risks/Issues		
No significant risks or issues at this time.		
Financials		
Project Budget for 18/19	**YTD Actual**	**Forecasted Current Year Spend**
228,295	593,260	1,512,145
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
4,524,676	4,281,594	5,200,479

The following is a summary of the projects under this program.

Program	Technology Risk Management – 2017/18 Initiatives						
Project	EDMS and Kofax Upgrade						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	June 2017	**Projected End Date**	July 2018
Upgrade the Electronic Document Management System applications to the latest version offered by the vendors, ensuring continued supportability and reducing the cost of future upgrades.							
Project	Risk Registry Remediation						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	March 2018
Complete the Data Masking initiative resulting in the masking of the production databases and the implementation of processes which support MPI data security policies. Identify and document process for implementing access controls in the production support environment, and implementing these controls on one application to ensure the processes are valid and can be re-used.							
Project	APM and eWFM Replacement						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	July 2018
Replace end-of-life applications used to manage the Contact Centre, ensuring that the technologies used are vendor supported.							
Project	[Redacted] Upgrade						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	March 2018
Upgrade our current **[Redacted]** reducing operational risk. This operating system supports the database solution, used by the AOL / CARS applications.							
Project	eCounsel Upgrade						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	Sept 2017	**Projected End Date**	June 2018
Maintain the software at a current version to ensure continued vendor support and provide the ability to decommission non-standard components.							

Project			SSRS Migration				
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	December 2017
Convert and migrate the remaining SSRS reports off of aging non-supported environments (namely **[Redacted]**) to fully supported environments.							
Project			**Share Point Migration**				
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	September 2018
Migrate all of the approximately 150 project, department and executive SharePoint site collections. This allows the decommissioning of the legacy environments, and improved capabilities for SharePoint users.							
Project			**Network and Firewall Upgrades**				
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	April 2017	**Projected End Date**	June 2018
Ensure the continued manageability of firewall devices, by optimizing the network and firewall configurations to ensure consistency between different MPI environments (production, test, development).							
Project			**Security Risk Management**				
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	May 2018
Address security gaps identified during the implementation, and on-going security assessment of the Information Security Strategy & Road Map Program.							
Project			**Security Event Management (SEM)**				
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	March 2017	**Projected End Date**	March 2018
Engage a third party to monitor security events, conduct investigation and coordinate remediation of security incidents, identified through new security technologies.							

Program	Technology Modernization Program - Technology Risk Management (2018/19 Program)		
Start Date		**Projected End Date**	
Status On Track	**Budget** On Track	**Schedule** On Track	**Overall**

The Technology Risk Management program will evaluate, identify and/or implement technologies to reduce technology risk leveraging technologies and best practice where applicable. The initiatives 14 new initiatives under the 2018/19 portfolio:

- Informatica Upgrade
- VIP Upgrade
- Loss of Use – Platform Upgrade
- CDW-EDW Migration
- Dollar Universe Upgrade
- Team Foundation Servers(TFS) and Visual Server Upgrade
- VMware **[Redacted]** Refresh

- Security Risk Management-2018
- Workstation Security Enhancements
- Risk Registry Remediation
- File Server Storage Solution
- Security Device Refresh
- SAN Storage and TSM Backup Upgrade
- Windows Server Vitality **[Redacted]**

Timeline

Project	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Informatica Upgrade		■	■	■	■							
VIP Upgrade							■	■				
Loss of Use - Platform Upgrade						■	■	■				
CDW-EDW Migration				■	■	■	■	■	■	■	■	■
Dollar Universe Upgrade				■	■	■	■	■	■	■		
Team Foundation Servers (TFS) and Visual Studio Upgrade				■	■	■	■	■	■	■	■	■
Security Risk Management-2018						■	■	■	■	■	■	■
Workstation Security Enhancements						■	■	■	■	■	■	■
Risk Registry Remediation – 2018	■	■	■	■	■	■	■	■	■	■	■	■
File Server Storage Solution	■	■	■	■	■	■	■	■				
Security Device Refresh	■	■	■	■	■	■	■	■	■			
SAN Storage and TSM Backup Upgrade	■	■	■	■	■	■	■	■	■	■		
Windows Server Vitality **[Redacted]**	■	■	■	■	■	■	■	■	■	■	■	■
VMware **[Redacted]** Refresh	■	■	■	■	■	■	■	■	■	■	■	■

Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Informatica Upgrade – Project Delivery Log approved	**Informatica Upgrade:** Project is completing the planning documents to complete the inception phase and move to elaboration where final schedule is to be confirmed.
File Server Storage Solution – Inception Phase complete	**File Server Storage Solution:** Project is moving into elaboration phase and is focusing on more detailed planning documentation and schedule
SAN Storage and TSM Backup Upgrade - Inception Phase complete	**SAN Storage and TSM Backup Upgrade:** Project is in elaboration phase and is focusing on more detailed planning documentation and schedule
Windows Server Vitality **[Redacted]** – Inception phase started	**Windows Server Vitality [Redacted]:** Project is in inception phase and is completing the deliverables to proceed to elaboration
VMware **[Redacted]** Refresh – Project Charter approved	**VMware [Redacted] Refresh:** Project is in inception phase and is completing the deliverables to proceed to elaboration

Project Risks/Issues

No significant risks or issues at this time.

Financials

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend
4,271,705	90,293	3,516,919
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
4,271,705	90,293	3,516,919

The following is a summary of the projects under this program.

Program	Technology Risk Management – 2018/19 Initiatives						
Project	**Informatica Upgrade**						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	**April 2018**	**Projected End Date**	**July 2018**
Upgrade Informatica to **[Redacted]** will be supported until 2020 (or later). Informatica is used in the extraction, transformation, and loading (ETL) of data which populates the enterprise data warehouse. It is critical for report generation. This upgrade is covered under an existing maintenance agreement with the vendor and is planned to be completed by leveraging internal MPI resources.							
Project	**File Server Storage Solution**						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	**March 2018**	**Projected End Date**	**October 2018**
Redefine the file storage environment in order to reduce operational costs while improving efficiencies and accommodating MPI's evolving business needs.							
Project	**SAN Storage and TSM Backup Upgrade**						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	**March 2018**	**Projected End Date**	**December 2018**
Modernize storage and backup solutions to ensure supportability, capacity, and value.							
Project	**Windows Server Vitality (2009 to 2016)**						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	**March 2018**	**Projected End Date**	**December 2018**
Reduce the risks associated with running End of Life software in our environment. Execute on IBM contractual agreement to perform a major Operating System upgrade every 4 years and validate the changes through formal testing processes.							
Project	**VMware [Redacted] Refresh**						
Status	**Budget**	**Schedule**	**Overall**	**Start Date**	**March 2018**	**Projected End Date**	**December 2018**
VMWare [Redacted] (Vitality) To eliminate and reduce Business impact (IT Security and IT Availability) associated with running End of Life Support platforms in our environment. End of general support for **[Redacted]** is 2018/09/19. To remain current on all major Data Centre platforms and to execute on IBM contractual agreement to upgrade Operating Systems and Middleware once every 4 years.							

| Project	Customer Self Service (CSS)		
Start Date	April 2017	Projected End Date	July 2018
Status	Budget	Schedule	Overall

To enhance service and control costs, MPI is extending self-service options beyond the existing Online Credit Card payment functionality. Providing an online self-serve option for customers to perform transactions historically handled at either an Autopac agent or MPI service centre will reduce the transaction count at physical locations. This is a multi-year project with functionality to be built on yearly depending on business needs.

For the first release, the project has been revised to incorporate three main components:

1. "Low" authentication
2. Self-serve user functionality (Booking of Knowledge Test & Road Test)
3. Online payments (PCI Compliant)

Release 1 being tested and it is expected to be implemented by the end of June. Planning of subsequent releases is underway.

Timeline
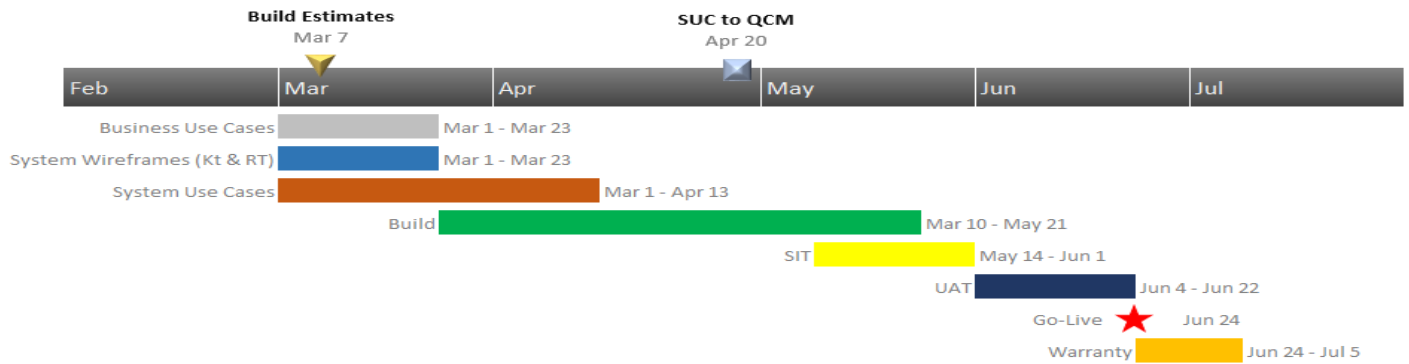
Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Revised Scope/Approach to CSS initial release 1 (R1)	Complete R1 SIT
Refocus design and analysis activities.	Complete R1 UAT
Completed Project Plan & Schedule	R1 Go-Live and Warranty
Architecture Definition, Business and Systems Analysis	Begin work on Release 2
	Begin work on Release 3

Project Risks/Issues

Description	Type	Mitigation Plan	Status
No contingency in the schedule	Risk	Ask project team to work overtime to complete tasks ahead of schedule to build in schedule contingency.	On Track
PCI compliance for Online Credit Card Payments introduces additional scope	Risk	Implement CSS-specific functionality relevant to PCI compliance. Ensure Credit Card Strategy project is aware of CSS timelines and provides PCI-compliance deliverables when required.	On Track
System Testing & User Acceptance are time-boxed in order to meet schedule targets.	Risk	Prioritize testing, and perform in parallel as much as possible.	On Track
CSS & Credit Card Strategy need UAT cycles to align	Risk	Close coordination with Credit Card Strategy project.	On Track

Financials

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend	
1,500,000	891,317	1,998,933	
Total Project Budget as at Mar 1, 2018	LTD Actual	Total Forecast @ Completion	
4,869,613	2,570,811	4,584,000	

Project	Legacy System Modernization				
Start Date	March 2018		**Projected End Date**		February 2019
Status	**Budget**		**Schedule**		**Overall**

Project Description

The purpose of the Legacy System Modernization assessment is to provide MPI with direction on how to manage and evolve MPI legacy systems so that gaps in the legacy system capabilities are addressed allowing for the technology to meet the long term business goals.

The project will deliver an assessment that will determine if MPI is a good candidate for a modernization program and provide recommendations and a strategy on how to address the gaps in MPI's legacy systems, in order to support of the long term business needs. The project will also develop, release, and evaluate product RFPs and complete a detailed business case for review at the February 2019 Board meeting depending on outcome of assessement and Board directiong in June 2018.

Timeline
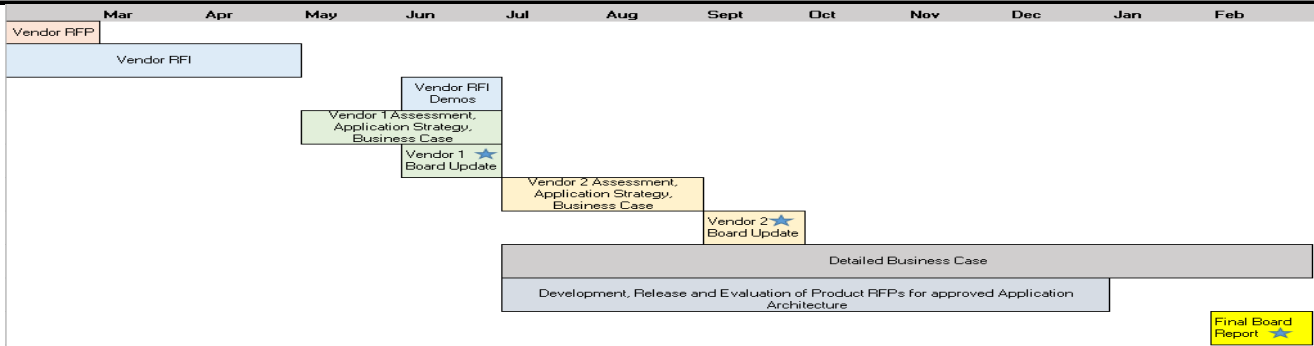
Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Project start & kickoff meeting. Project resources assigned	Board presentation (Vendor #1)
Legacy System Modernization Assessment Request for Pricing (RFP) Awarded - Vendor #1 (Deloitte). Master Services Agreement and Statement of Work signed	Legacy System Modernization Assessment Request for Pricing (RFP) Awarded - Vendor #2 (Avasant). Master Services Agreement and Statement of Work signed
Vendor #1 Legacy System Modernization Assessment and Business Case underway	Vendor #2 Legacy System Modernization Assessment underway
Request for Information (RFI) Application Architecture solution Vendors selected & product demos booked	Application Architecture Vendor demonstrations and evaluation
Vendor #1 Legacy System Modernization proposed Application Strategy solution in progress	Development, Release and Evaluation of Product RFPs for approved Application Architecture

Project Risks/Issues

Description	Type	Mitigation Plan	Status
Ability for MPI to provide information to support Deloitte Assessment in a timely manner	Risk	Working with Project Sponsor and Deloitte team to ensure that clear questions are asked so they are more easily answered	
MPI resource allocation to meet competing project needs	Risk		
Coordination of second Assessment Vendor. Timing, effort, and cost unknown	Risk	Currently being assessed	

Financials

Project Budget for 18/19	YTD Actual	Forecasted Current Year Spend
2,000,000	8,901	1,991,099
Total Project Budget as at Mar 1, 2018	**LTD Actual**	**Total Forecast @ Completion**
72,000,000	8,901	72,000,000

Project	Corporate Learning Management System (CLMS)		
Start Date	March 21, 2016	Projected End Date	June 4, 2018
Status	Budget	Schedule	Overall

Project Description

The purpose of the CLMS project is to provide a central location for all MPI related training and development for internal MPI staff, business partners, and customers. In doing so, the corporation will benefit from reduced administration costs, improved training compliance, better access to training, and enhanced employee career development - all of which align with the Corporate Values, Mission, Vision, and Goals. The project has been extended until the end of June 2018 to provide for warranty and knowledge transfer, and a Project Change Request is in place the explains the budget variance.

Timeline

Milestones

Milestones – First Quarter 2018/19 (Mar-May)	Milestones – Second Quarter 2018/19 (June-August)
Brokers on boarded to new community – March 16 (99% complete)	Warranty and transition complete
Broker rollout begins – April 8	Project closeout
HRMS enrollments/achievements import complete – May 24	

Project Risks/Issues

Description	Type	Mitigation Plan	Status
Simplistic system response to OpenText timeouts and technical issues can cause IWS compliance check to fail occasionally	Issue	Improve error handling, including allowing compliance check to succeed if technical errors are encountered	In progress
Data Migration related to achievements and IWS compliance is more complex and more effort than anticipated.	Issue	Revisit data conversion requirements and simplify as appropriate. Rework data transformation code and retest. Prioritize conversion and stage import of data.	Resolved

Financials

Project Budget for 17/18	YTD Actual	Forecasted Current Year Spend
250,000	427,872	553,179
Total Project Budget as at Mar 1, 2017	**LTD Actual**	**Total Forecast @ Completion**
3,128,141	3,414,785	3,540,092

<u>CAC (MPI) 1-60</u>

Part and Chapter:	Part IV, Value Management, VM Appendix 5	Page No.:	1, 2, 5
PUB Approved Issue No:	19. IT projects and expenses		
Topic:	Finance Re-Engineering Project		
Sub Topic:			

Preamble to IR (If Any):

"In 2015, MPI issued an RFP to hire a consulting firm to review the Finance Division in order to determine the Finance Division vision, mission, and structure to ensure the best use of corporate resources and consistently meet all the Divisional objectives and deadlines in a timely manner. This Finance Division Review was conducted and completed by Deloitte with a report submitted in March 2015.

The Finance Division Review identified opportunities to improve the finance systems and processes to support the success of Finance operations. These opportunities were further explored during a separate engagement in 2015, conducted by Deloitte, which resulted in documented business requirements to simplify, standardize and streamline processes, increase automation and improve the timeliness and visibility of financial information. These requirements formed the basis for the Finance Re-Engineering (FRE) project.

Due to other priorities and limited funding, the original FRE project was deferred.

In conjunction with the Legacy Systems Modernization and HRMS - Human Resource Management System Phase 3 / 4 project, the 2018/19 funding for this renewed project will involve an assessment of the long-term strategic fit and viability of the Infor suite of products, potential expanded utilization of the Infor suite as part of the strategy to decommission the Legacy Systems (AOL, DLS, CARS) as well as re-

validation of the business vision, roadmap, budget and business case for the Finance Re-Engineering program.

The key deliverables from the 2018/19 spend will be a business case, strategy and roadmap, including updating the business requirements established in 2015. This will determine the estimated future spend in 2019/20 and beyond."

"This project will be responsible for reassessing the original 2015 FRE business case and recommending and validating and confirming the need for MPI to take future actions. This current project will include the following deliverables:

- Detailed business case
- Financial analysis for updating the financial systems and processes
- Business vision – a strategic description of the business end state
- Project charter
- Project road map"

Question:

a) Please file a copy of Deloitte's 2015 recommendations to improve Finance's processes and procedures, for the record.
b) Please justify MPI's rationale to spend $500,000 on external consulting fees to re-review a 2015 consultant's report.
c) Please elaborate on MPI's internal staff skill set to update a previously prepared Finance Re-Engineering business case.
d) Please elaborate whether MPI is considering using the Infor Suite of products in its Legacy Systems Modernization process (AOL, CARS, DVL). If so, please comment on the appropriate timing to perform this investigation.

Rationale for Question:

To better understand the rationale for spending an additional $500,000 of rate payers' money on a project that was completed in 2015 and may need to be brought to current.

RESPONSE:

a) [Redacted. The Corporation is seeking confidential treatment for this response.]

b) As noted above and in _Part IV Value Management_, the purpose of the renewed
    Finance Re-Engineering (FRE) project is to review the consultant report and deliver
    on the following project objectives: detailed business case, financial analysis,
    business vision, project charter and project road map. The cost of the project at
    this stage are to ensure that the previous consultant's report is still current and
    relevant to the business. Please note that the $500,000 was not linked exclusively
    to external consulting fees, but also relate to internal resources and anticipated
    training requirements.

c) A third party provided the FRE Business Case to the Corporation. MPI's internal
    staff is highly suited to update the previously prepared business case as the
    internal staff have detailed business knowledge and experience which will allow
    them to validate recommendations and create a detailed work plan for the FRE
    project and create an end solution that is feasible for the business needs.

d) The Corporation cannot indicate which platform it will consider using as the Legacy
    Systems Modernization project will not recommend a platform until the end of
    fiscal year 2018/19.

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Part and Chapter:	Part IV, Value Management, VM Appendix 5	Page No.:	1, 2, 5
PUB Approved Issue No:	19. IT projects and expenses		
Topic:	Finance Re-Engineering Project		
Sub Topic:			

Preamble to IR (If Any):

"In 2015, MPI issued an RFP to hire a consulting firm to review the Finance Division in order to determine the Finance Division vision, mission, and structure to ensure the best use of corporate resources and consistently meet all the Divisional objectives and deadlines in a timely manner. This Finance Division Review was conducted and completed by Deloitte with a report submitted in March 2015.

The Finance Division Review identified opportunities to improve the finance systems and processes to support the success of Finance operations. These opportunities were further explored during a separate engagement in 2015, conducted by Deloitte, which resulted in documented business requirements to simplify, standardize and streamline processes, increase automation and improve the timeliness and visibility of financial information. These requirements formed the basis for the Finance Re-Engineering (FRE) project.

Due to other priorities and limited funding, the original FRE project was deferred.

In conjunction with the Legacy Systems Modernization and HRMS - Human Resource Management System Phase 3 / 4 project, the 2018/19 funding for this renewed project will involve an assessment of the long-term strategic fit and viability of the Infor suite of products, potential expanded utilization of the Infor suite as part of the strategy to decommission the Legacy Systems (AOL, DLS, CARS) as well as re-

validation of the business vision, roadmap, budget and business case for the Finance Re-Engineering program.

The key deliverables from the 2018/19 spend will be a business case, strategy and roadmap, including updating the business requirements established in 2015. This will determine the estimated future spend in 2019/20 and beyond."

 "This project will be responsible for reassessing the original 2015 FRE business case and recommending and validating and confirming the need for MPI to take future actions. This current project will include the following deliverables:

- Detailed business case
- Financial analysis for updating the financial systems and processes
- Business vision – a strategic description of the business end state
- Project charter
- **Project road map"**

Question:

a) Please file a copy of Deloitte's 2015 recommendations to improve Finance's processes and procedures, for the record.
b) Please justify MPI's rationale to spend $500,000 on external consulting fees to re-review a 2015 consultant's report.
c) Please elaborate on MPI's internal staff skill set to update a previously prepared Finance Re-Engineering business case.
d) Please elaborate whether MPI is considering using the Infor Suite of products in its Legacy Systems Modernization process (AOL, CARS, DVL). If so, please comment on the appropriate timing to perform this investigation.

Rationale for Question:

To better understand the rationale for spending an additional $500,000 of rate payers' money on a project that was completed in 2015 and may need to be brought to current.

RESPONSE:

a) Please see _Attachment 1_.

   [Attachment 1 Redacted: The Corporation is seeking confidential treatment for this response.]

b) As noted above and in Part IV Value Management, the purpose of the renewed Finance Re-Engineering (FRE) project is to review the consultant report and deliver on the following project objectives: detailed business case, financial analysis, business vision, project charter and project road map. The cost of the project at this stage are to ensure that the previous consultant's report is still current and relevant to the business. Please note that the $500,000 was not linked exclusively to external consulting fees, but also relate to internal resources and anticipated training requirements.

c) A third party provided the FRE Business Case to the Corporation. MPI's internal staff is highly suited to update the previously prepared business case as the internal staff have detailed business knowledge and experience which will allow them to validate recommendations and create a detailed work plan for the FRE project and create an end solution that is feasible for the business needs.

d) The Corporation cannot indicate which platform it will consider using as the Legacy Systems Modernization project will not recommend a platform until the end of fiscal year 2018/19.